(VSS). A Group of Experts is being set up to review the possibilities of revival of atleast some of these units. The number of employees in these PSUs is around 11,000. A provision of Rs. 70.19 crores has been made in the 1998-99 budget for providing non-plan support to these enterprises.

Foreign Direct Investment in Cigarette Industry

663. SHRIMATI VEENA VERMA:
SHRI AKHILESH DAS:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have further reviewed their move to allow 100 per cent Foreign Direct Investment (FDI) in Cigarette industry;

(b) if so, what are the major advantages to India's economy that go in favour of permitting such investment;

(c) how far it is likely to go against the interests of indigenous Beedi industry, especially the cottage industry and the workers engaged in it; and

(d) what decision has been taken in the matter?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (d) The existing guidelines for consideration of FDI proposals by FIPB do not stipulate any ceiling on the extent of foreign equity participation inter-alia in sectors pertaining to consumer non-durables, which include cigarettes. However, as there has been no precedent of 100% FDI approval in cigarettes so far, it was felt necessary to clarify the position vide Press Note No. 11 (1998 series) dated 27th August, 1998, that proposal for manufacture of cigarette with Foreign Investment Promotion Board (FIPB) subject to the provisions relating to compulsory licensing under the Industries (Development & Regulation) Act, 1951. This has been done with a view to lending greater transparency in decision making.

Beedis and cigarettes generally cater to different market segments as is evident from the Beedi industry already co-existing with a growing domestic cigarette industry. Beedi workers are not likely to be adversely affected with the induction of 100% foreign direct investment as it encourages competitiveness only in the cigarette sector.

Industrial Recession

664. SHRI AKHILESH DAS:
SHRIMATI VEENA VERMA:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of INDUSTRY be pleased to state:

(a) whether industry continued to suffer from deep recession during the last three months;

(b) if so, the extent of recession in respect of each sector of industry;

(c) the comparative figures for the preceding three quarters; and

(d) the reasons for recession in each sector?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (d) The industrial growth during the current financial year 1998-99 for the period April-December is 3.5% as compared to 6.7% during April-December, 1997.

The industrial growth in the latest and preceding three quarters in different sectors is as follows: